



CONGRESSIONAL HEARING RESUME

106TH Congress

Date: 25 Feb 00

SUBJECT: Field Hearing on TRICARE, Grissom ARB, IN

COMMITTEE: Subcommittee on Military Personnel, House Armed Services Committee

CHAIRMAN: The Honorable Steven Buyer

MEMBERS PRESENT (bold face):

REPUBLICANS

Steven Buyer, (R-IN)
Roscoe Bartlett, (R-MD)
J.C. Watts, (R-OK)
William Thornberry, (R-TX)
Lindsey Graham, (R-SC)
Jim Ryun, (R-KS)
Mary Bono (R-CA)
Joe Pitts, (R-PA)
Robin Hayes, (R-NC)
Steven Kuykendall, (R-OH)

DEMOCRATS

Neil Abercrombie, (D-HI)
Marty Meehan, (D-MA)
Patrick Kennedy, (D-RI)
Loretta Sanchez (D-CA)
Cynthia McKinney (D-GA)
Ellen Tauscher, (D-CA)
Mike Thompson, (D-CA)
John Larson, (D-CT)

Non Subcommittee Members attending included **Rep Hostettler, R-IN**

WITNESSES: See next page

Information contained in this resume was obtained during an open hearing. It will not be released outside of the Department of Defense (DOD) agencies until published hearing transcripts have been released by the Committee, and only to the extent it is in accord with published hearing procedures.

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Date: 29 Feb 00

Ext: 697-9110

WITNESSES

Panel One

Col Joseph Ryan, USA (Ret)

SMSgt David Curl, USAF (Ret)

MSgt Ted Huff, USAF (Ret)

Maj Ross Morkal, USAF (Ret)

Sgt First Class Dennis Drudge
Army National Guard

TSgt Kathleen Stiers
Air Force Reserve Technician

Panel Two

Brig Gen Joseph Kelley, USAF
TRICARE Lead Agent

Mr Rayond Mouse
Regional Vice President
Anthem Alliance

EXECUTIVE SUMMARY

The Subcommittee reviewed TRICARE in Region 3 and heard from primarily retirees about concerns with the system. Most problems centered upon access and problems with claims processing. Retirees complained that they were promised lifetime health care and DoD was not living up to that promise. Mr Buyer agreed that access can be frustrating, especially in rural areas like Indiana. He commented negatively to a comment by one retiree that the FEHBP test should be terminated and instead, implemented nationwide immediately. He stated that his “hoosier” common sense told him we needed to compile credible test data and then make a determination. He did state he would look at expanding FEHBP demos to capture more participants. Mr Buyer also expressed shock that administrative costs associated with claims processing was \$8-15 per claim vs \$1 for Medicare.

The hearing opened at 1100.

Chairman Buyer's Opening Remarks

- Access can be frustrated, especially in rural areas like Indiana

Rep Hostettler

- Believes health care is critical to recruiting

Rep Ryun

- Has 15th largest retiree population--retiree benefits are a huge issue to him

PANEL ONE: Retirees, Guard, and Reserve personnel

All witnesses complained about access with major concerns about the adequacy of the provider network. Poor reimbursement rates and claims problems prevented many doctors from participating in health care. Retirees stated that BRAC Mail Order Pharmacy was huge success and should be expanded everywhere. They also said that FEHBP would be superb for retirees and that TRICARE cannot match that service.

Col Ryan, USA (Ret)

- Health care becomes more challenging as people age
- Having to drive long distances and fill out complicated forms becomes more challenging
- One universal success was mail order pharmacy--should be expanded everywhere
- FEHBP cannot be matched--should be available everywhere immediately

MSgt Curl, USAF (Ret)

- Multiple plans are confusing--reduce it to one simplified approach for everyone
- Retired military personnel should get health care as good as other federal employees and Members of Congress

MSgt Huff, USAF (Ret)

- No military treatment facility within 100 miles
- Need better provider network if TRICARE is to succeed

TSgt Stiers

- Had multiple claims problems when she used TRICARE during a prolonged deployment for the Reserves--she'd never use it again if she could help it

Mr Buyer

- Commented that for the FEHBP test to work we need to look at more sites, additional beneficiaries, and more time for tests
- Feels that FEHBP is not fair to enlisted because it is so costly

PANEL TWO: TRICARE Lead Agent and Contractor

The TRICARE Lead Agent stated claim processing was still a problem, but improving. Region 2 processes 3 million claims a year--there will always be some problems. The TRICARE contractor indicated that access is much better today than in the days of CHAMPUS. Admitted that claims processing needs to get better, but they're working hard on this. He stated that there are over 4000 primary care managers in the network, but admitted that providers were limited in rural areas.

Brig Gen Kelley, USAF

- System is improving and they are meeting the patients needs
- Commented that we need standardized contracts and procedures across all regions

Mr Mouse

- Believes TRICARE is working well
- Access is getting better with over 70% of beneficiaries going to military treatment facilities

Mr Buyer

- Commented that many TRICARE reimbursement rates are below Medicare--will hurt access
- Irritated that contractors like Anthem Alliance are requesting millions of dollars in equitable adjustments when beneficiaries have so many complaints

Mr Hostettler

- Wants to ensure that performance barriers from legislation are eliminated, can't do more than that
- Provider education to improve claims processing would be very helpful

Mr Buyer

- Was concerned about administrative costs of claims processing (\$8-15 vs \$1 for Medicare)
- The HASC will take this issue on even if it meant spending allot of money upfront

The hearing was adjourned at 1400